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**Zoellick to Join FTAA Ministers in Building  
Momentum for Crucial Phase of Talks**  
*FTAA Ministerial in Quito, Ecuador, November 1 To Focus on Importance of  
Market Access and Directions on Draft Agreement Text*

WASHINGTON - U.S. Trade Representative Robert B. Zoellick will lead the U.S. delegation to the Free Trade Area of the Americas (FTAA) Ministerial in Quito, Ecuador on November 1, where he will join 33 other Western Hemisphere trade ministers to move forward on the crucial market access phase of negotiations and eliminate differences in the draft texts of the Agreement.

At the end of the Ministerial, Ecuador will turn over the Chairmanship of the process to the United States and Brazil, which will serve as co-chairs until the negotiations are completed.

President Bush has made trade and openness a cornerstone of his economic agenda, and the FTAA is an integral part of America's efforts to promote freedom and opportunity in this hemisphere, Zoellick said. In Quito, we will endeavor to advance the negotiations into the crucial phase of specific, concrete bargaining. This will move us closer to a hemispheric partnership stretching from Alaska to Tierra del Fuego -- 800 million economically-integrated and democratically-governed people united in the opportunity to prosper and improve our lives.

While in Quito, Zoellick will meet with civil society and business groups. Also as part of its commitment to transparency, USTR plans to use the internet to webcast various events and briefings with trade officials, so that the public can learn about and follow the process.

The FTAA talks are about to enter a key phase of the market access negotiations. A goal is for ministers to agree that countries should exchange their initial offers in coming months, then after reviewing these offers, exchange requests for improvements to these offers in 2003. Revised offers are due by July 15, 2003, part of the ongoing specific, concrete bargaining process that will continue until the conclusion of the negotiations.

At the conclusion of the Ministerial meeting, Zoellick and his 33 counterparts will release to the public a Ministerial Declaration reflecting the decisions taken to guide the negotiations in their

next and final stage in completing the FTAA Agreement.

One area of interest for the negotiations is dealing with the significant economic disparities between FTAA participants. The United States believes the best way to continue to address the different levels of development and sizes of economies is through practical, flexible elements within the negotiations. In addition, the trade capacity-building initiative envisioned under the Hemispheric Cooperation Program (HCP) will help developing and smaller nations participate fully in negotiations and fulfill commitments by helping them to develop and implement national and/or sub-regional FTAA trade capacity action plans.

These plans would assist countries to identify, articulate and prioritize needs related to: (a) participation in the negotiations; (b) strengthening capacity for implementation of FTAA commitments, and (c) structural adjustment needs related to the FTAA. As envisioned, the HCP will receive multifaceted financial and non-financial support from various FTAA countries. These efforts build upon the discussions Zoellick had with the CARICOM (Caribbean community) trade ministers in September.

Zoellick has outlined seven U.S. goals for the United States for the Quito Ministerial:

- First, establish firm meeting schedules -- over the coming months, not years -- for the negotiations to open markets in the FTAA economies. In addition, we will seek to negotiate tariffs downward from existing (i.e. applied) rates, rather than from higher WTO allowed (bound) rates, recognizing that the small island economies of the Caribbean may need flexibility on the tariff starting points for a limited number of sensitive products.
- Second, urge that the revised draft negotiating texts be presented to the public, a practice the FTAA began last year in Buenos Aires. The release of the draft texts will enhance the transparency of the FTAA process.
- Third, to launch the HCP (as described above) so that smaller, developing nations have the capacity to participate in and benefit from the free trade negotiations (trade capacity building.)
- Fourth, select chairpersons for the nine Negotiating Groups and other related committees who will push the work forward so that negotiations are complete by January 2005.
- Fifth, hear from and engage with groups from civil society about the FTAA, explaining the benefits of free trade.
- Sixth, hearing and learning from representatives of private enterprise at the Americas Business Forum. The FTAA will enable the genius of entrepreneurs, the commitments of investors, and the energy of growing businesses to create jobs, growth, and hope for the peoples of the Americas.

- Seventh, the United States has offered to host the next Ministerial Meeting in Miami in 2003 and will seek agreement from the Ministers on this issue.

The FTAA is a priority for the United States, and it plays a key role in the U.S. strategy of pursuing trade liberalization globally, regionally and bilaterally. First envisioned by President Ronald Reagan as a way to link the Americas in a hemispheric economic partnership, the FTAA negotiations are to be completed by January 2005, as agreed by President Bush and the 33 other Western Hemisphere leaders at the Quebec Summit in April 2001.

The ongoing World Trade Organization (WTO) negotiations, launched in Doha, Qatar in November 2001, are scheduled to be completed in the same time frame as the FTAA. In addition, the United States is working bilaterally to expand trade liberalization. Free trade negotiations are in the final phase with Chile and Singapore, and negotiations with Morocco and the five nations of Central America are to be launched soon. This strategy fosters a competition in trade liberalization that enhances efforts to expand trade and investment and foster economic development and growth.

### **Background:**

As host of the 7<sup>th</sup> Ministerial in Quito, Ecuador has chaired the FTAA process since the 6<sup>th</sup> Ministerial in Buenos Aires in April 2001. Prior to the Ministerial on November 1, the Trade Negotiations Committee (TNC), comprised of Vice-Ministers from all the countries, are meeting October 28-30 to prepare the relevant documents for the Ministerial.

There are nine negotiating groups in the FTAA process, each drafting a separate chapter of the agreement. These groups are: market access; investment; services; government procurement; dispute settlement; agriculture; intellectual property rights; subsidies, dumping, and countervailing duties; and, competition policy.

The 34 FTAA countries are: Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, St. Vincent and the Grenadines, St. Lucia, St. Kitts and Nevis, Suriname, Trinidad and Tobago, the United States of America, Uruguay, and Venezuela.

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